

Calendar No. 868

91<sup>ST</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 15628

[Report No. 91-865]

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IN THE SENATE OF THE UNITED STATES

MARCH 25, 1970

Read twice and referred to the Committee on Foreign Relations

MAY 12, 1970

Reported by Mr. FULBRIGHT, with amendments

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## AN ACT

To amend the Foreign Military Sales Act.

1     *Be it enacted by the Senate and House of Representa-*  
2     *tives of the United States of America in Congress assembled,*

3     That subsection (b) of section 3 of the Foreign Military  
4     Sales Act (22 U.S.C. 2753 (b) ) is amended to read as  
5     follows:

6         “(b) No sales, credits, or guaranties shall be made or  
7     extended under this Act to any country during a period of  
8     one year after such country seizes, or takes into custody, or  
9     fines an American fishing vessel for engaging in fishing more  
10    than twelve miles from the coast of that country. The Presi-  
11    dent may waive the provisions of this subsection when he de-

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1 determines it to be important to the security of the United  
2 States or he receives reasonable assurances from the country  
3 involved that future violations will not occur, and promptly  
4 so reports to the Speaker of the House of Representatives  
5 and the Committee on Foreign Relations of the Senate. The  
6 provisions of this subsection shall not be applicable in any  
7 case governed by an international agreement to which the  
8 United States is a party."

9 SEC. 2. Section 31 of such Act (22 U.S.C. 2771) is  
10 amended—

11 (1) by striking out of subsection (a) "not to ex-  
12 ceed \$296,000,000 for the fiscal year 1969" and insert-  
13 ing in lieu thereof "not to exceed ~~\$275,000,000~~ for the  
14 fiscal year 1970 and not to exceed ~~\$272,500,000~~ for  
15 each of the fiscal years 1971 and 1972"; ~~\$250,000,000~~  
16 *for each of the fiscal years 1970 and 1971*"; and

17 (2) by striking out of subsection (b) "during the  
18 fiscal year 1969 shall not exceed \$296,000,000" and  
19 inserting in lieu thereof "~~during the fiscal year 1970~~  
20 ~~shall not exceed \$350,000,000 and during each of the~~  
21 ~~fiscal years 1971 and 1972 shall not exceed \$385,~~  
22 ~~000,000~~", "*shall not exceed \$300,000,000 for each of*  
23 *the fiscal years 1970 and 1971*".

24 SEC. 3. Section 33 of such Act (22 U.S.C. 2773) is  
25 amended—

1           (1) by striking out of subsection (a) "the fiscal  
2           year 1969" and inserting in lieu thereof "each fiscal  
3           year"; and

4           (2) by striking out of subsection (b) "the fiscal  
5           year 1969" and inserting in lieu thereof "each fiscal  
6           year".

7           SEC. 4. The last paragraph of section 1 of such Act (22  
8           U.S.C. 2751) is amended by striking out "denying social  
9           progress" and inserting in lieu thereof "denying the growth  
10          of fundamental rights or social progress".

11          SEC. 5. It is the sense of Congress that (1) the Presi-  
12          dent should continue to press forward urgently with his  
13          efforts to negotiate with the Soviet Union and other powers  
14          a limitation on arms shipments to the Middle East, (2) the  
15          President should be supported in his position that arms will  
16          be made available and credits provided to Israel and other  
17          friendly states, to the extent that the President determines  
18          such assistance to be needed in order to meet threats to the  
19          security and independence of such states, and (3) if the  
20          authorization provided in the Foreign Military Sales Act, as  
21          amended, should prove to be insufficient to effectuate this  
22          stated policy, the President should promptly submit to the  
23          Congress requests for an appropriate supplementary authori-  
24          zation and appropriation.

25          SEC. 6. It is the sense of the Congress that—

1           (1) the President should immediately institute a  
2           thorough and comprehensive review of the military aid  
3           programs of the United States, particularly with respect  
4           to the military assistance and sales operations of the  
5           Department of Defense, and

6           (2) the President should take such actions as may  
7           be appropriate--

8                   (A) to initiate multilateral discussions among  
9                   the United States, the Union of Soviet Socialist  
10                  Republics, Great Britain, France, West Germany,  
11                  Italy, and other countries on the control of the world-  
12                  wide trade in armaments,

13                  (B) to commence a general debate in the  
14                  United Nations with respect to the control of the  
15                  conventional arms trade, and

16                  (C) to use the power and prestige of his office  
17                  to signify the intention of the United States to work  
18                  actively with all nations to check and control the  
19                  international sales and distribution of conventional  
20                  weapons of death and destruction.

21       *SEC. 7. The Foreign Military Sales Act is further*  
22       *amended by adding at the end thereof the following new*  
23       *section:*

24       *"SEC. 47. PROHIBITION OF ASSISTANCE TO CAM-*  
25       *BODIA.—In order to avoid the involvement of the United*

1 *States in a wider war in Indochina and to expedite the with-*  
 2 *drawal of American forces from Vietnam, it is hereby pro-*  
 3 *vided that, unless specifically authorized by law hereafter*  
 4 *enacted, no funds authorized or appropriated pursuant to*  
 5 *this Act or any other law may be expended for the purpose*  
 6 *of—*

7           “(1) retaining United States forces in Cambodia;

8           “(2) paying the compensation or allowances of, or  
 9           otherwise supporting, directly or indirectly, any United  
 10          States personnel in Cambodia who furnish military in-  
 11          struction to Cambodian forces or engage in any combat  
 12          activity in support of Cambodian forces;

13          “(3) entering into or carrying out any contract or  
 14          agreement to provide military instruction in Cambodia,  
 15          or to provide persons to engage in any combat activity in  
 16          support of Cambodian forces; or

17          “(4) conducting any combat activity in the air  
 18          above Cambodia in support of Cambodian forces.”

19          SEC. 8. Unless the sale, grant, loan, or transfer of any  
 20          International Fighter aircraft (1) has been authorized by and  
 21          made in accordance with the Foreign Military Sales Act or  
 22          the Foreign Assistance Act of 1961, or (2) is a regular com-  
 23          mercial transaction (not financed by the United States) be-  
 24          tween a party other than the United States and a foreign

1 country, no such aircraft may be sold, granted, loaned, or  
2 otherwise transferred to any foreign country (or agency  
3 thereof) other than South Vietnam. For purposes of this  
4 section, "International Fighter aircraft" means the fighter  
5 aircraft developed pursuant to the authority contained in the  
6 proviso of the second paragraph of section 101 of Public  
7 Law 91-121 (relating to military procurement for fiscal year  
8 1970 and other matters).

9 SEC. 9. (a) Subject to the provisions of subsection  
10 (b), the value of any excess defense article given to a  
11 foreign country or international organization during any  
12 fiscal year shall be considered to be an expenditure made from  
13 funds appropriated for that fiscal year to carry out the  
14 provisions of part II of the Foreign Assistance Act of 1961,  
15 and at the time of the delivery of that article a sum equal to  
16 the value thereof shall be withdrawn from such funds and  
17 deposited in the Treasury as miscellaneous receipts.

18 (b) The provisions of subsection (a) shall apply during  
19 any fiscal year only to the extent that the aggregate value  
20 of all such articles so given during that year exceeds  
21 \$35,000,000.

22 (c) For purposes of this section "value" means not less  
23 than 50 per centum of the amount the United States paid at  
24 the time the excess defense articles were acquired by the  
25 United States.

1       *SEC. 10. (a) No excess defense article may be given,*  
2       *and no grant of military assistance may be made, to a for-*  
3       *ign country unless the country agrees—*

4               *(1) to deposit in a special account established by*  
5       *that country the following amounts of currency of that*  
6       *country:*

7               *(A) in the case of any excess defense article*  
8       *to be given to that country, an amount equal to 50*  
9       *per centum of the fair value of the article, as deter-*  
10       *mined by the Secretary of State, at the time the*  
11       *agreement to give the article to the country is made;*  
12       *and*

13               *(B) in the case of a grant of military assistance*  
14       *to be made to that country, an amount equal to 50*  
15       *per centum of each such grant; and*

16               *(2) to make available to the United States Govern-*  
17       *ment, for use in paying obligations of the United States*  
18       *in that country and in financing international educa-*  
19       *tional and cultural exchange activities in which that*  
20       *country participates under the programs authorized by*  
21       *the Mutual Educational and Cultural Exchange Act of*  
22       *1961, such portion of the special account of that country*  
23       *as may be determined, from time to time, by the Presi-*  
24       *dent to be necessary for any such use.*

25       *(b) Section 1415 of the Supplemental Appropriation*

1 *Act, 1953 (31 U.S.C. 724), shall not be applicable to the*  
2 *provisions of this section.*

3 *SEC. 11. (a) In considering a request for approval of*  
4 *any transfer of a defense article to another country under*  
5 *section 505 (a)(1) and (a)(4) of the Foreign Assistance*  
6 *Act of 1961, and section 3(a)(2) of the Foreign Military*  
7 *Sales Act, the President shall not give his consent to the trans-*  
8 *fer unless the United States itself would transfer the defense*  
9 *article under consideration to that country.*

10 *(b) The President shall not consent to the transfer by*  
11 *any foreign country or person to a third or subsequent*  
12 *country or person of any defense article given, loaned, or*  
13 *sold by the United States, or the sale of which is financed by*  
14 *the United States (through credit, guaranty, or otherwise),*  
15 *unless the foreign country or person which is to make the*  
16 *transfer first obtains from the country or person to which*  
17 *the transfer is to be made an agreement that such country or*  
18 *person will not give, sell, loan, or otherwise transfer such*  
19 *article to any other foreign country or person (1) without*  
20 *the consent of the President, and (2) without agreeing to*  
21 *obtain from such other foreign country an agreement not to*  
22 *give, sell, loan, or otherwise transfer such article without*  
23 *the consent of the President.*

24 *SEC. 12 (a) Notwithstanding any provision of law en-*  
25 *acted before the date of enactment of this section, no money*



1 *appropriated for any purpose shall be available for obliga-*  
2 *tion or expenditure—*

3 *(1) unless the appropriation thereof has been pre-*  
4 *viously authorized by law; or*

5 *(2) in excess of an amount previously prescribed*  
6 *by law.*

7 *(b) To the extent that legislation enacted after the*  
8 *making of an appropriation authorizes the obligation or ex-*  
9 *penditure thereof, the limitation contained in subsection (a)*  
10 *shall have no effect.*

11 *(c) The provisions of this section shall not be superceded*  
12 *except by a provision of law hereafter enacted which specific-*  
13 *ally repeals or modifies the provisions of this section.*

14 *SEC. 13. For purposes of sections 9, 10, and 11—*

15 *(1) “defense article” and “excess defense articles”*  
16 *have the same meanings as given them in section 644(d)*  
17 *and (g), respectively, of the Foreign Assistance Act*  
18 *of 1961; and*

19 *(2) “foreign country” includes any department,*  
20 *agency, or independent establishment of the foreign*  
21 *country.*

*Amend the title so as to read: “An Act to amend the*  
*Foreign Military Sales Act, and for other purposes.”*

*Passed the House of Representatives March 24, 1970.*

*Attest:*

*W. PAT JENNINGS,*

*Clerk.*

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